

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 15, 2016
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Sevini K. Guffey, Public Utility Analyst I, Division of Economics *SKG*
RE: Place in Docket No. 160152-EU

Please place the attached documentation in the referenced docket file.

SKG

RECEIVED-FPSC
2016 JUL 15 AM 9:49
COMMISSION
CLERK

Sevini Guffey

From: Kevin Stone <kevin@stoneandgerken.com>
Sent: Tuesday, July 12, 2016 11:13 AM
To: Sevini Guffey
Cc: Lonnie Groot
Subject: RE: Docket No. 160152-EU

Dear Ms. Guffey,

I hope that you are well. In the most important ways, the Current Agreement and the New Agreement are alike. There is no intention to change the service territories as between Mount Dora and SECO. No utility customers will see a change in their electric provider as a result of this agreement. In many respects, this agreement will extend the status quo for another 20 years.

Some less fundamental parts of the agreement have changed in material ways. Making the switch to the New Agreement, in and of itself, will not cause any of these changes to be apparent -- they all will be invoked upon the occurrence of future events. I have listed the changes below. Section numbers refer to the New Agreement unless otherwise indicated. If you have any further questions about this, please do not hesitate to contact my office and we will set up a call with me and Lonnie Groot, Mount Dora's attorney.

Regards,
Kevin

- There are some new definitions and some removed definitions (although the use of the terms is consistent over both agreements).
- In section 3.1, there has been a clarification relating to annexation (that the territories will not change as a result of expansion of future municipal boundaries).
- In section 3.2, new details have been added to assist in assigning a future new customer to appropriate territory (based on location of preponderance of usage, or if difficult to determine, greater portion of served property).
- In section 3.4, new language requires referral of future service requests made to the wrong utility to the appropriate utility.
- In Section 3.5 a section has been added regarding correction of errors in service discovered in the future.
- In the Current Agreement, there was a section dealing with transfer of customers affected by the adoption of the territorial agreement. Because no customers will be transferred as a result of the New Agreement, there is no corresponding language in the New Agreement.
- The compensation provisions (i.e., compensation due if and when facilities are transferred between the parties due to circumstances discovered or arising in the future) in Section 4.3 are substantially different from those in the Current Agreement. I believe they are self explanatory and replace sections 2.6 through 2.9 of the Current Agreement which dealt with compensation and dispute resolution in different ways.
- Article IV (Annexations) of the Current Agreement does not appear in the New Agreement. This section provided for franchise fees and dispute resolution in the event of annexations. Since the time of the Current Agreement's adoption, SECO and Mount Dora have entered into a separate Franchise Agreement that comprehensively deals with these matters.
- Section 8.1 is new and clarifies that the territorial agreement between SECO and Mount Dora does not affect the rights of either party relative to other electric utilities (i.e., does not have any impact on Duke Energy's territorial agreements with SECO or Mount Dora).